



## PRESS RELEASE

### WESDOME'S PROFITS RISE WITH GOLD PRICE

**Toronto, Ontario – November 12, 2008** – Wesdome Gold Mines Ltd (WDO:TSX) (“Wesdome” or the “Company”) is pleased to report its financial and operating results from its Canadian operations for the third quarter ended September 30, 2008 and its year to date (YTD) results. This information should be read in conjunction with the Company’s third quarter financial statements, notes to financial statements and Management’s Discussion and Analysis.

The Company owns the Eagle River gold mining operation in Wawa, Ontario and the Kiena Mining Complex in Val d’Or, Quebec. The Eagle River mine commenced commercial production on January 1, 1996 and the Kiena mine on August 1, 2006.

#### HIGHLIGHTS

- **Quarterly gold sales average \$902 per ounce – up 28% from 2007**
- **Quarterly Net Income rises to \$2.2 million**
- **Quarterly Cash Flow from Operations rises to \$5.6 million**
- **Quarterly Revenue \$22.2 million – up 35% from 2007**
- **YTD Revenue \$59.1 million – up 44% from 2007**
- **YTD Cash Flow from operations \$12.1 million**
- **Costs held steady**

#### REVENUE AND EARNINGS

During the third quarter, 2008, revenue, cash flow from operations and earnings increased dramatically due to higher gold prices. Net income rose to \$2.2 million in the third quarter, 2008, compared to a net loss of \$3.0 million in the third quarter, 2007. Likewise, cash flow from operations increased to \$5.6 million for the quarter compared to \$0.5 million in 2007. Revenue rose to \$22.2 million from \$16.4 million in 2007 due to higher gold prices. Gold sales averaged \$902 per ounce in the third quarter, 2008 compared to \$712 per ounce in the third quarter, 2007.

For the nine month period year to date, net income stood at \$3.1 million. Cash flows from operations totalled \$12.1 million and revenue climbed to \$59.1 million.

## RESULTS OF OPERATIONS

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2008	2007*	2008	2007*
<b><i>Eagle River Mine</i></b>				
Tonnes milled	31,935	35,381	86,892	89,281
Recovered grade (g/t)	11.8	8.7	13.7	11.4
Ounces produced	12,139	9,893	38,359	32,821
Ounces sold	12,063	11,900	34,500	27,800
Bullion inventory (oz)	7,326	9,886	7,326	9,886
Bullion revenue	10,811	8,468	31,495	20,549
- Operating + development costs (thousands)	8,147	6,382	22,182	17,813
Mine operating profit (loss) (\$m) **	2,664	2,086	9,313	2,736
Gold price realized (\$Cdn/oz)	895	710	913	739
* Includes Mishishiki pit production of 21,568 tonnes at 3.5 gAu/tonne for 2,402 ounces.				
<b><i>Kiena Mine Complex</i></b>				
Tonnes milled	62,587	63,281	191,735	221,744
Recovered grade (g/t)	5.8	3.5	4.6	3.7
Ounces produced	11,582	7,145	28,556	26,595
Ounces sold	12,400	11,100	29,900	27,200
Bullion inventory (oz)	1,865	2,100	1,865	2,100
Bullion revenue	11,244	7,911	27,337	20,161
- Operating + development costs (thousands)	7,740	8,801	22,530	21,514
Mine operating profit (loss) (\$m) **	3,504	(890)	4,807	(1,353)
Gold price realized (\$Cdn/oz)	905	712	914	741
<b><i>Total</i></b>				
Production (oz)	23,721	17,038	66,915	59,416
Sales (oz)	24,463	23,000	64,400	55,000
Bullion inventory (oz)	9,191	11,986	9,191	11,986
Bullion revenue	22,055	16,379	58,832	40,710
- Operating + development costs (thousands)	15,887	15,183	44,712	39,327
Mine operating profit (\$m) **	6,168	1,196	14,120	1,383
Gold price realized (\$Cdn/oz)	902	712	913	740

\*\* The Company has included in this report certain non-GAAP performance measures, including mine operating profit (loss) and operating and development costs to applicable sales. These measures are not defined under GAAP and therefore should not be considered in isolation or as an alternative to or more meaningful than, net income(loss) or cash flow from operating activities as determined in accordance with GAAP as an indicator of our financial performance or liquidity. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow.

During the third quarter 2008, combined operations produced 23,721 ounces of gold. Bullion revenues climbed to \$22 million on sales of 24,433 ounces at an average price of \$902 Cdn per ounce. At September 30, 2008, gold inventory stood at 9,191 ounces. This is carried on the balance sheet at cost. The costs and revenue for this inventory will be recognized in the fiscal period in which it is sold.

Revenue exceeded operating and development costs resulting in a mine operating profit\* of \$6.2 million for the third quarter and \$14.1 million for the first nine months of 2008. In addition to direct operating costs, other costs, including royalty payments, corporate and general and interest costs, amounted to \$0.8 million in the third quarter and \$2.5 million for the first nine months.

Costs remained relatively stable year over year in the face of general cost inflation experienced in the mining industry. In fact, on a unit basis, costs applicable to sales, or cash costs, decreased to \$645 Cdn per ounce in the third quarter and \$694 Cdn per ounce year to date. Subsequent to the end of the quarter, tight labour markets and input costs such as diesel and steel have eased considerably in international markets. These trends, if sustained, will help reduce costs further but there may be a time-lag in realizing these reductions at the mine level.

The highlight of the quarter was continued improvement at the Kiena operations. The recovered grade increased 40% compared to the first half of 2008 and tight cost control measures contained costs at last year's levels. Subsequent to quarter end, a potentially significant new find located 3 kilometres east of the shaft was announced on October 14, 2008. Preliminary drilling results included intersections of 4.45 gAu/tonne over 5.1 metres and 6.82 gAu/tonne over 7.7 metres. Drilling is continuing on this exciting prospect with the purpose of defining its geometry and dimensions.

## **LIQUIDITY**

At September 30, 2008, the Company had working capital of \$8.3 million. During the third quarter, capital expenditures totalled \$4.9 million. In addition, gold inventories of 9,191 ounces were carried at \$6.5 million at September 30, 2008. Their market value at September 30, 2008, was \$8.6 million.

Production for the remainder of 2008 should continue to generate cash flow, even at gold prices below those currently being realized. Exploration expenditures will ease as the surface drilling winds down.

## **OUTLOOK**

We forecast steady production in the upcoming quarter and expect to comfortably exceed our 2008 production forecast of 80,000 ounces.

To date, gold sales have averaged \$913 Cdn per ounce, \$173 Cdn per ounce higher than last year's average of \$740 Cdn per ounce. By controlling costs, Wesdome has demonstrated its leverage to the gold price.

Our surface exploration program has identified a brand new gold occurrence in a previously untested part of the Val d'Or mining camp and we are hopeful that ongoing drilling will continue to excite.

Since September, extremely volatile markets and economic conditions have made future planning and forecasts very difficult. We believe fundamentally that the evolving conditions are strongly supportive of much higher future gold prices and possibly shorter term relief from the escalating cost pressures that the industry has faced since 2004.

The recent volatility in the gold price has been buffered by equally volatile \$US/\$Cdn exchange rates resulting in relative stability in the \$900 Cdn per ounce range. We anticipate a strong fall/winter rally. Operations are generating strong cash flow and we intend to proceed prudently and do not have a current need to access very tight capital markets.

## **ABOUT WESDOME**

Wesdome is an established Canadian gold producer with wholly-owned mining and milling complexes located in Val d'Or, Quebec and Wawa, Ontario. It has been producing gold continually for 20 years on an unhedged basis and to date has produced in excess of 1.0 million ounces. The Company has 99.7 million shares issued and outstanding and trades on the TSX Exchange under the symbol "WDO".

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*This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Forward-looking statements contained herein are made as of the date of this press release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward looking statements if circumstances, management's estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.*

**Wesdome Gold Mines Ltd.**  
**Consolidated Balance Sheets**

	Sept 30 2008	Dec 31 2007
	(Unaudited)	(Audited)
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 6,539,983	\$ 7,341,064
Term deposits	83,436	67,651
Inventory	6,471,762	5,529,454
Receivables	3,382,994	4,243,107
Supplies and other	2,519,908	1,735,736
Marketable securities	<u>43,688</u>	<u>68,085</u>
	19,041,771	18,985,097
Funds held against standby letters of credit	2,291,443	2,541,132
Capital assets	11,182	13,155
Mining properties	60,604,374	57,790,155
Exploration properties	28,796,166	27,677,643
Property held for sale	<u>378,105</u>	<u>1,078,105</u>
	\$ <u>111,123,041</u>	\$ <u>108,085,287</u>
<b>Liabilities</b>		
Current		
Payables and accruals	\$ 9,277,658	\$ 9,708,130
Current portion of obligations under capital leases	<u>1,435,984</u>	<u>1,368,749</u>
	10,713,642	11,076,879
Obligations under capital leases	2,329,212	2,248,355
Convertible 7% debentures	9,293,403	9,038,002
Reclamation obligation	1,121,500	1,072,000
Future income taxes	<u>2,710,000</u>	<u>1,506,000</u>
	<u>26,167,757</u>	<u>24,941,236</u>
Minority interest in Moss Lake Gold Mines Ltd.	<u>932,745</u>	<u>980,867</u>
<b>Shareholders' Equity</b>		
Capital stock	113,946,066	115,276,928
Contributed surplus	3,066,737	2,789,117
Accumulated other comprehensive income	(289,646)	(131,915)
Equity component of convertible debentures	2,079,776	2,079,776
Deficit	<u>(34,780,394)</u>	<u>(37,850,722)</u>
	<u>84,022,539</u>	<u>82,163,184</u>
	\$ <u>111,123,041</u>	\$ <u>108,085,287</u>

**Wesdome Gold Mines Ltd.**  
**Interim Consolidated Statements of Operations and Deficit**  
(Unaudited)

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2008	2007	2008	2007
<b>Revenue</b>				
Gold and silver bullion	\$ 22,054,509	\$ 16,379,930	\$ 58,831,770	\$ 40,710,301
Interest and other	<u>125,858</u>	<u>70,162</u>	<u>299,474</u>	<u>151,368</u>
	<u>22,180,367</u>	<u>16,450,092</u>	<u>59,131,244</u>	<u>40,861,669</u>
<b>Costs and expenses</b>				
Operating costs	12,650,665	11,864,559	34,939,696	31,095,149
Development costs	3,156,147	3,325,964	9,793,946	8,238,294
Amortization of mining properties	3,316,651	3,212,218	8,553,807	8,058,417
Production royalties	176,247	69,574	589,114	359,549
Corporate and general	243,084	333,332	790,002	1,184,798
Stock compensation expense	77,522	58,382	264,640	465,138
Debt issuance costs	-	44,960	-	44,960
Interest on long-term debt	391,975	543,209	1,148,452	823,286
Other interest	5,871	7,425	7,489	28,686
Amortization of office equipment	657	748	1,973	2,244
Accretion of reclamation obligation	<u>16,500</u>	<u>21,750</u>	<u>49,500</u>	<u>47,250</u>
	<u>20,035,319</u>	<u>19,482,121</u>	<u>56,138,619</u>	<u>50,347,771</u>
Net income (loss) before the following	2,145,048	(3,032,029)	2,992,625	(9,486,102)
Dilution gain on Moss Lake Gold Mines Ltd.	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,504</u>
	<u>2,145,048</u>	<u>(3,032,029)</u>	<u>2,992,625</u>	<u>(9,468,598)</u>
Recovery of future income taxes	-	-	-	700,000
Minority interest	<u>6,383</u>	<u>11,024</u>	<u>78,259</u>	<u>34,607</u>
Net income (loss)	\$ <u>2,151,431</u>	\$ <u>(3,021,005)</u>	\$ <u>3,070,884</u>	\$ <u>(8,733,991)</u>
Net income (loss) per common share				
Basic and diluted	\$ <u>0.02</u>	\$ <u>(0.03)</u>	\$ <u>0.03</u>	\$ <u>(0.09)</u>
Deficit, beginning of period	\$ (36,931,269)	\$ (17,963,304)	\$ (37,850,722)	\$ (12,250,318)
Repurchase of shares	(556)	-	(556)	-
Net income (loss)	<u>2,151,431</u>	<u>(3,021,005)</u>	<u>3,070,884</u>	<u>(8,733,991)</u>
Deficit, end of period	<u>\$ (34,780,394)</u>	<u>\$ (20,984,309)</u>	<u>\$ (34,780,394)</u>	<u>\$ (20,984,309)</u>

**Wesdome Gold Mines Ltd.**  
**Interim Consolidated Statements of Comprehensive Income and**  
**Accumulated Other Comprehensive Income**

(Unaudited)

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2008	2007	2008	2007
Net income (loss)	\$ 2,151,431	\$ (3,021,005)	\$ 3,070,884	\$ (8,733,991)
Other comprehensive income (loss)				
Change in fair value of available-for-sale marketable securities	<u>(54,610)</u>	<u>(46,809)</u>	<u>(157,731)</u>	<u>(100,000)</u>
Comprehensive income (loss)	\$ <u>2,096,821</u>	\$ <u>(3,067,814)</u>	\$ <u>2,913,153</u>	\$ <u>(8,833,991)</u>

Accumulated other comprehensive loss, beginning of period	\$ (235,036)	\$ (53,191)	\$ (131,915)	\$ -
Other comprehensive income (loss)	\$ <u>(54,610)</u>	\$ <u>(46,809)</u>	\$ <u>(157,731)</u>	\$ <u>(100,000)</u>
Accumulated other comprehensive loss, end of period	\$ <u>(289,646)</u>	\$ <u>(100,000)</u>	\$ <u>(289,646)</u>	\$ <u>(100,000)</u>

**Interim Consolidated Statements of Shareholders' Equity**

(Unaudited)

	Capital Stock	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Equity Component of Convertible Debenture	Deficit	Total Shareholders' Equity
Balance, December 31, 2007	\$ 115,276,928	\$ 2,789,117	\$ (131,915)	\$ 2,079,776	\$ (37,850,722)	\$ 82,163,184
Net income for nine months ended Sept 30, 2008	-	-	-	-	3,070,884	3,070,884
Tax effect of flow-through share renunciation	(1,204,000)	-	-	-	-	(1,204,000)
Exercise of options	27,000	-	-	-	-	27,000
Value attributed to options exercised	10,080	(10,080)	-	-	-	-
Additional costs of 2007 flow-through shares	(6,256)	-	-	-	-	(6,256)
Shares purchased under NCIB	(157,686)	23,061	-	-	(556)	(135,181)
Stock based compensation	-	264,639	-	-	-	264,639
Revaluation to fair value of marketable securities	-	-	<u>(157,731)</u>	-	-	<u>(157,731)</u>
Balance, September 30, 2008	\$ <u>113,946,066</u>	\$ <u>3,066,737</u>	\$ <u>(289,646)</u>	\$ <u>2,079,776</u>	\$ <u>(34,780,394)</u>	\$ <u>84,022,539</u>

**Wesdome Gold Mines Ltd.**  
**Interim Consolidated Statements of Cash Flows**  
(Unaudited)

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	2008	2007	2008	2007
Increase (decrease) in cash and cash equivalents				
<b>Operating activities</b>				
Net income (loss)	\$ 2,151,431	\$ (3,021,005)	\$ 3,070,884	\$ (8,733,991)
Amortization of mining properties	3,316,651	3,212,218	8,553,807	8,058,417
Accretion of discount on convertible debentures	117,504	259,971	342,964	346,628
Gain on sale of Moss Lake shares	-	-	(14,261)	(17,504)
Minority interest	(6,383)	(11,024)	(78,259)	(34,607)
Stock compensation expense	77,522	58,382	264,640	465,138
Amortization of office equipment	657	748	1,973	2,244
Future income taxes	-	-	-	(700,000)
Gain on sale of equipment	(95,178)	-	(95,178)	-
Gain on redemption of 7% convertible debenture	(814)	-	(814)	-
Accretion of reclamation obligation	16,500	21,750	49,500	47,250
	<u>5,577,890</u>	<u>521,040</u>	<u>12,095,256</u>	<u>(566,425)</u>
Net changes in non-cash working capital	<u>4,511,059</u>	<u>1,151,585</u>	<u>(1,791,587)</u>	<u>(3,538,956)</u>
	<u>10,088,949</u>	<u>1,672,625</u>	<u>10,303,669</u>	<u>(4,105,381)</u>
<b>Financing activities</b>				
Convertible 7% debenture	-	-	-	11,539,000
Common shares and warrants issued, net of costs	-	(44,099)	-	(44,099)
Loan from Western Québec Mines Inc.	-	-	-	759,447
Senior Secured notes repayment	-	(1,374,450)	-	(1,374,450)
Exercise of options	-	186,421	27,000	350,835
Funds paid to repurchase common shares under NCIB	(131,222)	-	(135,181)	-
Funds paid to repurchase debenture	(86,750)	-	(86,750)	-
Flow-through shares issued	-	-	(6,256)	-
Shares issued by a subsidiary of the company to third parties	-	-	(3,813)	40,000
Repayment of obligations under capital leases	(352,840)	(864,635)	(1,216,883)	(1,583,515)
	<u>(570,812)</u>	<u>(2,096,763)</u>	<u>(1,421,883)</u>	<u>9,687,218</u>
Net changes in non-cash working capital	<u>-</u>	<u>117,106</u>	<u>276,035</u>	<u>117,106</u>
	<u>(570,812)</u>	<u>(1,979,657)</u>	<u>(1,145,848)</u>	<u>9,804,324</u>
<b>Investing activities</b>				
Additions to mining and exploration properties	(4,893,943)	(2,762,266)	(11,205,056)	(10,278,359)
Cash acquired upon amalgamation	-	1,188,401	-	1,188,401
Deferred financing costs	-	44,960	-	(629,438)
Additions to capital assets	-	-	-	(3,719)
Proceeds on sale of Moss Lake shares to minority interests	-	-	25,921	-
Proceeds on option to sell property	-	-	566,666	550,000
Proceeds on sale of equipment	200,950	-	200,950	-
Funds held against standby letters of credit	286,460	(17,474)	249,689	(45,525)
	<u>(4,406,533)</u>	<u>(1,546,379)</u>	<u>(10,161,830)</u>	<u>(9,218,640)</u>
Net changes in non-cash working capital	<u>(210,709)</u>	<u>2,357,687</u>	<u>218,713</u>	<u>2,357,687</u>
	<u>(4,617,242)</u>	<u>811,308</u>	<u>(9,943,117)</u>	<u>(6,860,953)</u>
Increase (decrease) in cash and cash equivalents	4,900,895	504,276	(785,296)	(1,162,010)
Cash and cash equivalents, beginning of period	1,722,524	3,643,965	7,408,715	5,310,251
Cash and cash equivalents, end of period	<u>\$ 6,623,419</u>	<u>\$ 4,148,241</u>	<u>\$ 6,623,419</u>	<u>\$ 4,148,241</u>